

Finance and Administration Committee
Meeting
Thursday, August 25, 2022 1:15 PM

Hilton University of Houston Hotel, Conrad
Hilton Ballroom, Second Floor
4800 Calhoun Rd
Houston, TX 77204

Agenda

I. **Finance and Administration Committee**

Presenter: Chair John McCall, Jr.

I.A. Call to Order

Presenter: Chair John McCall, Jr.

I.B. Approval of Committee Minutes

- February 24, 2022, Finance and Administration Committee Meeting
- May 19, 2022, Finance and Administration Committee Meeting

Action: Approval

I.C. Approval is requested for the University of Houston System FY2023 Financial Plan and Budget

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

I.D. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts exceeding \$1 million for the purchase of goods or services, excluding construction contracts, at the University of Houston System - University of Houston System

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

I.E. Approval is requested to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding \$1 million for projects at the University of Houston System - University of Houston System

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

I.F. Approval is requested for changes to the optional waivers and exemptions offered at the University of Houston System

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

I.G. Approval is requested to delegate authority to the Chancellor to execute contracts for the design and construction of the Tilman J. Fertitta Family College of Medicine- University of Houston

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

II. **Executive Session**

Presenter: Chair John McCall, Jr.

II.A. 1. Consultation with System Attorney Regarding Legal Matters, and/or Contemplated Litigation or Settlement Offers.

Texas Gov't Code Section 551.071

2. Deliberations regarding the Purchase, Exchange, Sale or Value of Real Property.

Texas Gov't Code Section 551.072

3. Deliberation Regarding a Prospective Gift.

Texas Gov't Code Section 551.073

4. Personnel Matters Relating to appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees including but not limited to the Chancellor, Presidents, Vice Chancellors, in the Division of Athletics and members of the Board of Regents.

Texas Gov't Code Section 551.074

III. **Report and Action from Executive Session**

Presenter: Chair John McCall, Jr.

IV. **Adjourn**

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested for the University of Houston System FY2023 Financial Plan and Budget.

DATE PREVIOUSLY SUBMITTED: Fiscal Year Budget Submitted Annually

SUMMARY:

Approval is requested for the FY2023 Financial Plan and Budget. Annual plans, plus revenue and expenditure budgets, are being presented for all university components for the period September 1, 2022 through August 31, 2023. The budget for the UH System includes the University of Houston, University of Houston Downtown, University of Houston Clear Lake, University of Houston Victoria, and University of Houston System Administration.

SUPPORTING DOCUMENTATION: Presentation

FISCAL NOTE: Total Budget \$2.06 billion

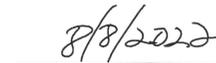
**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator



DATE

FY2023 Annual Budget

Presentation to the
Administration and Finance Committee

August 25, 2022

University of Houston System FY 2023 Budget

Executive Summary

University of Houston System FY 2023 Budget Development Environment

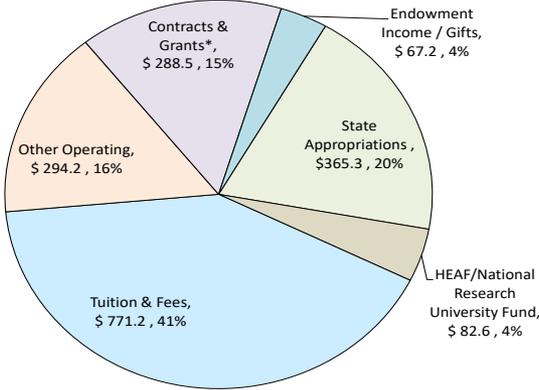
- No increase in tuition and no new state general revenue
- Flat/reduced enrollment 2 years in a row
- Tight labor market
- High inflation
- No across-the-board budget cuts
- Reallocations to fund priorities

University of Houston System Budget

FY2022

Total Budget	
	<u>\$ Millions</u>
Operating Budget	\$ 1,869.0
Capital Facilities	199.7
Total	<u>\$ 2,068.7</u>

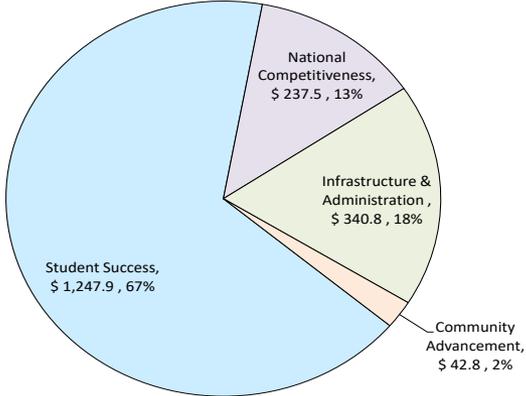
Operating Budget Source of Funds



* Includes Federal Financial Aid

Total \$1,869 Million

Operating Budget Use of Funds



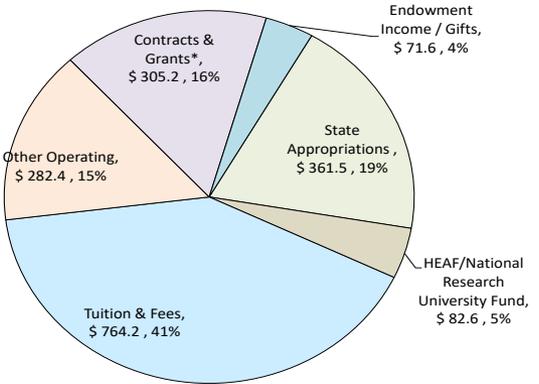
Total \$1,869 Million

FY2023

Proposed

Total Budget	
	<u>\$ Millions</u>
Operating Budget	\$ 1,867.5
Capital Facilities	190.4
Total	<u>\$ 2,057.9</u>

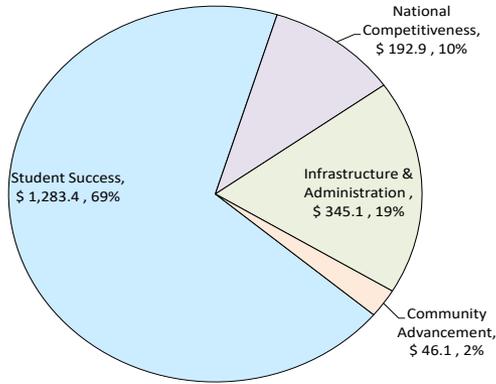
Operating Budget Source of Funds



* Includes Federal Financial Aid

Total \$1,867.5 Million

Operating Budget Use of Funds



Total \$1,867.5 Million

University of Houston System FY2023 Proposed Operating Budget

(\$ in Millions)

	FY2022	-----Change-----		Proposed FY2023
		Dollars	Percent	
University of Houston	1,366.2	4.5	0.3%	1,370.7
UH - Clear Lake	148.9	1.2	0.8%	150.1
UH- Downtown	217.9	0.9	0.4%	218.8
UH- Victoria	80.5	(1.5)	-1.8%	79.0
UH - System Admin	55.5	(6.6)	-11.9%	48.9
Total	1,869.0	(1.4)	-0.1%	1,867.5

University of Houston System FY2023 Proposed Capital Budget

(\$ in Millions)

	FY2022	-----Change-----		Proposed FY2023
		Dollars	Percent	
University of Houston	151.9	(22.9)	-15.1%	129.0
UH - Clear Lake	1.9	28.2	1484.2%	30.1
UH- Downtown	34.7	(21.3)	-61.4%	13.4
UH- Victoria	11.2	6.7	59.8%	17.9
Total	199.7	-9.3	-4.7%	190.4

University of Houston System

FY2023 Proposed Operating and Capital Budget

(\$ in Millions)

	FY2022	-----Change-----		Proposed FY2023
		Dollars	Percent	
University of Houston	1,518.1	(18.4)	-1.2%	1,499.7
UH - Clear Lake	150.8	29.4	19.5%	180.2
UH- Downtown	252.6	(20.4)	-8.1%	232.2
UH- Victoria	91.7	5.2	5.7%	96.9
UH - System Admin	55.5	(6.6)	-11.9%	48.9
Total	2,068.7	(10.7)	-0.5%	2,057.9

University of Houston System

Proposed Operating Budget by Revenue Segment

FY2019 - FY2023 (\$ in Millions)

	A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	E 2023 Proposed
1 State Appropriations	\$ 326.8	\$ 389.2	\$ 330.0	\$ 365.3	\$ 361.5
2 HEAF/National Research University Fund	84.6	85.0	82.9	82.6	82.6
3 Tuition & Fees	710.8	745.9	776.0	771.2	764.2
4 Other Operating	273.0	253.8	200.7	294.2	282.4
5 Contracts & Grants*	306.5	382.6	467.6	288.5	305.2
6 Endowment Income / Gifts	103.3	99.4	94.4	67.2	71.6
7 Total	\$ 1,805.0	\$ 1,955.9	\$ 1,951.6	\$ 1,869.0	\$ 1,867.5

* Includes Federal financial aid

University of Houston System

Proposed Operating Budget (Expenditures) by Goal

Expenditures - FY2019 - FY2023 (\$ in Millions)

		A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	E 2023 Proposed
1	Student Success	\$ 1,146.1	\$ 1,199.1	\$ 1,298.8	\$ 1,247.9	\$ 1,283.4
2	National Competitiveness	210.5	198.7	204.5	237.5	192.9
3	Infrastructure & Administration	297.7	312.2	279.1	340.8	345.1
4	Community Advancement	46.9	46.0	39.3	42.8	46.1
5	Total	<u>\$ 1,701.2</u>	<u>\$ 1,756.0</u>	<u>\$ 1,821.7</u>	<u>\$ 1,869.0</u>	<u>\$ 1,867.5</u>

Proposed Operating Budget – Revenue Segments By Component - FY2023 with FY2022 Comparative

(\$ in Millions)

	A	B	C	D	E	F	G	H
	UHSA	UH	UHCL	UHD	UHV	FY23 Budget Consolidated	FY22 Budget Consolidated	% CHG YoY
1 State Appropriations	\$ 35.8	\$ 233.7	\$ 39.3	\$ 33.5	\$ 19.2	361.5	365.3	-1.0%
2 HEAF/National Research University Fund	-	60.6	7.7	10.8	3.5	82.6	82.6	-0.1%
3 Tuition & Fees	-	563.1	70.9	102.4	27.8	764.2	771.2	-0.9%
4 Other Operating	10.8	221.9	12.1	21.0	16.6	282.4	294.2	-4.2%
5 Contracts & Grants *	-	227.0	18.7	48.1	11.4	305.2	288.5	5.5%
6 Endowment Income / Gifts	2.3	64.4	1.4	3.0	0.5	71.6	67.2	6.2%
7 Total	<u>\$ 48.9</u>	<u>\$ 1,370.7</u>	<u>\$ 150.1</u>	<u>\$ 218.8</u>	<u>\$ 79.0</u>	<u>\$ 1,867.5</u>	<u>\$ 1,869.0</u>	-0.1%

* Includes Federal financial aid

Proposed Operating Budget - Expenditures by Goal

FY2023 with FY2022 Comparative

(\$ in Millions)

	A	B	C	D	E	F	G	H
	UHSA	UH	UHCL	UHD	UHV	FY23 Budget Consolidated	FY22 Budget Consolidated	% CHG YoY
1 Student Success	\$ 1.5	\$ 931.8	\$ 114.4	\$ 169.5	\$ 66.2	1,283.4	1,247.9	2.8%
2 National Competitiveness	-	186.7	3.6	2.0	0.6	192.9	237.5	-23.1%
3 Infrastructure & Administration	47.4	209.2	32.1	44.7	11.7	345.1	340.8	1.2%
4 Community Advancement	-	43.0	0.0	2.6	0.5	46.1	42.8	7.3%
5 Total	<u>\$ 48.9</u>	<u>\$ 1,370.7</u>	<u>\$ 150.1</u>	<u>\$ 218.8</u>	<u>\$ 79.0</u>	<u>\$ 1,867.5</u>	<u>\$ 1,869.0</u>	-0.1%

Questions?

University of Houston System FY 2023 Proposed Budget

Summary by University

University of Houston

FY2023 Proposed Annual Budget

University of Houston

Highlighted Use of Funds in the FY2023 Plan

- Operating Funds
 - 3.8% pool to invest in faculty and staff
 - New faculty and staff lines
 - Strategic plan implementation
 - Compliance with federal and state law
 - Fixed institutional costs
- HEAF Funds
 - Academic and research infrastructure
 - Deferred Maintenance & Life Safety

University of Houston

Proposed Operating Budget by Revenue Segment

Revenues FY2019 - FY2023 (\$ in Millions)

	A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	E 2023 Proposed
1 State Appropriations	\$ 196.1	\$ 259.4	\$ 203.9	\$ 230.6	\$ 233.7
2 HEAF/National Research University Fund	60.6	60.9	60.9	60.6	60.6
3 Tuition & Fees	512.8	529.8	549.7	557.6	563.1
4 Other Operating	245.7	228.8	181.2	245.4	221.9
5 Contracts & Grants*	228.6	284.3	330.3	211.5	227.0
6 Endowment Income / Gifts	91.2	88.2	83.9	60.5	64.4
7 Total	<u>\$ 1,335.0</u>	<u>\$ 1,451.4</u>	<u>\$ 1,409.9</u>	<u>\$ 1,366.2</u>	<u>\$ 1,370.7</u>

* Includes Federal financial aid

University of Houston

Proposed Operating Budget (Expenditures) by Goal

FY2019 - FY2023
(\$ in Millions)

	A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	E 2023 Proposed
1 Student Success	\$ 832.4	\$ 869.5	\$ 914.9	\$ 894.6	\$ 931.8
2 National Competitiveness	205.1	193.4	199.3	231.6	186.7
3 Infrastructure & Administration	173.3	183.1	153.8	200.4	209.2
4 Community Advancement	42.3	42.2	35.7	39.6	43.0
5 Total	\$ 1,253.1	\$ 1,288.2	\$ 1,303.7	\$ 1,366.2	\$ 1,370.7

University of Houston

FY23 Planned Capital Projects Budget Summary

	-----Project Expenditures-----				-----Funded From-----					Total Project
	Project	FY2023	Future Year	Total Project	Revenue					
	to Date (1)	Budget	Budgets	Budget	HEAF/Other State Funded	CCAP	Other Debt Funded	Gifts	Other	
New Construction										
Quad Housing Replacement	\$ 123,441,261	\$ 558,739	\$ -	\$ 124,000,000	\$ -	\$ -	\$ 110,625,000	\$ -	\$ 13,375,000	\$ 124,000,000
ACE Institute	3,092,000	-	-	3,092,000	292,000	-	-	1,500,000	1,300,000	3,092,000
Garage #6	47,029,577	2,350,423	-	49,380,000	-	-	49,380,000	-	-	49,380,000
College of Medicine	87,024,371	456,069	519,594	88,000,034	48,000,000	-	2,990,743	-	37,009,291	88,000,034
New Law Center	91,442,304	-	898,317	92,340,621	37,050,000	-	30,000,000	25,290,621	-	92,340,621
Auxiliary Retail Dining Center	11,579,665	21,255,874	5,313,969	38,149,508	3,149,508	-	35,000,000	-	-	38,149,508
UH Sugar Land Academic Building	2,925,242	10,174,758	-	13,100,000	-	13,100,000	-	-	-	13,100,000
Innovation Hub	2,925,242	10,174,758	37,050,000	50,150,000	-	49,495,000	655,000	-	-	50,150,000
New Hobby School of Public Affairs	650,000	12,350,000	36,750,000	49,750,000	-	46,110,000	3,640,000	-	-	49,750,000
Football Operations Facility	3,750,000	15,000,000	-	18,750,000	-	-	18,750,000	-	-	18,750,000
CMP - Lighting and Security Upgrade Phase II	-	1,000,000	17,000,000	18,000,000	-	-	18,000,000	-	-	18,000,000
CMP - Cullen Blvd. Improvements	-	-	5,000,000	5,000,000	-	-	5,000,000	-	-	5,000,000
CMP - Gateways and Landscape Enhancements	-	8,000,000	-	8,000,000	-	-	1,000,000	-	7,000,000	8,000,000
CMP - University Drive	-	10,000,000	2,000,000	12,000,000	-	-	10,000,000	2,000,000	-	12,000,000
CMP - Centennial Plaza/Farish Demolition	-	-	15,000,000	15,000,000	-	-	4,000,000	2,000,000	9,000,000	15,000,000
Subtotal New Construction	\$ 373,859,662	\$ 91,320,622	\$ 119,531,880	\$ 584,712,164	\$ 88,491,508	\$ 108,705,000	\$ 289,040,743	\$ 30,790,621	\$ 67,684,291	\$ 584,712,163
Major Repair and Rehabilitation										
Hilton Renovation and Expansion	\$ 27,884,407	\$ -	\$ 3,206,293	\$ 31,090,700	\$ -	\$ -	\$ 31,090,700	\$ -	\$ -	\$ 31,090,700
Core Renovations - SERC HVAC	6,537,984	6,000,000	1,267,792	13,805,776	9,305,068	-	1,910,823	-	2,589,884	13,805,776
Social Work Building Addition and Renovation	2,543,988	-	-	2,543,988	-	-	-	2,543,988	-	2,543,988
Melcher Renovation	15,771,000	-	-	15,771,000	12,284	-	14,528,105	-	1,230,611	15,771,000
Core Renovations - Science and Research 1	18,592,548	13,047,451	360,000	31,999,999	3,272,499	-	27,000,000	-	1,727,501	32,000,000
Core Renovations - Roy G. Cullen	20,489,566	-	132,667	20,622,233	2,100,000	-	-	3,000,000	15,522,233	20,622,233
Core Renovations - Charles F. McElhinney	496,565	3,361,031	7,842,405	11,700,000	900,000	-	6,000,000	-	4,800,000	11,700,000
Life Sciences Renovations - TMC Building	1,688,049	-	13,311,951	15,000,000	-	-	15,000,000	-	-	15,000,000
Student Health Bldg Renovation	3,500,000	-	-	3,500,000	2,493,153	-	471,895.00	-	534,952	3,500,000
TDECU Suites and Premium Seating	-	230,000	4,290,000	4,520,000	-	-	4,520,000.00	-	-	4,520,000
Projects Budgeted Annually										
CRDM (Capital Renewal Deferred Maintenance)	15,000,000	15,000,000	15,000,000	45,000,000	45,000,000	-	-	-	-	45,000,000
Subtotal Major Repairs & Rehabilitation	\$ 112,504,106	\$ 37,638,482	\$ 45,411,108	\$ 195,553,696	\$ 63,083,004	\$ -	\$ 100,521,523	\$ 5,543,988	\$ 26,405,181	\$ 195,553,696
Total	\$ 486,363,769	\$ 128,959,103	\$ 164,942,988	\$ 780,265,860	\$ 151,574,512	\$ 108,705,000	\$ 389,562,266	\$ 36,334,609	\$ 94,089,472	\$ 780,265,859

(1) Project expenditures to date, estimated through August 31, 2022

University of Houston-Clear Lake

FY2023 Proposed Annual Budget

University of Houston-Clear Lake Highlighted Use of Funds in the FY2023

- Operating Funds
 - 3% pool to invest in faculty and staff
 - Student recruitment, retention and success
 - Security and information technology
 - Fixed institutional costs
- HEAF Funds
 - Academic and research infrastructure
 - Deferred Maintenance & Life Safety

University of Houston-Clear Lake

Proposed Operating Budget by Revenue Segment

FY2019 - FY2023
(\$ in Millions)

	A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	E 2023 Proposed
1 State Appropriations	\$ 33.4	\$ 36.7	\$ 35.1	\$ 39.3	\$ 39.3
2 HEAF/National Research University Fund	8.0	8.0	7.7	7.7	7.7
3 Tuition & Fees	71.7	76.6	76.4	69.2	70.9
4 Other Operating	5.2	5.0	3.5	13.1	12.1
5 Contracts & Grants*	19.1	25.2	42.3	18.7	18.7
6 Endowment Income / Gifts	2.0	2.0	2.2	0.9	1.4
7 Total	\$ 139.4	\$ 153.5	\$ 167.2	\$ 148.9	\$ 150.1

* Includes Federal financial aid

University of Houston-Clear Lake

Proposed Operating Budget (Expenditures) by Goal

FY2019 - FY2023
(\$ in Millions)

	A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	E 2023 Proposed
1 Student Success	\$ 101.3	\$ 107.6	\$ 131.9	\$ 112.0	\$ 114.4
2 National Competitiveness	1.7	1.7	2.1	3.7	3.6
3 Infrastructure & Administration	27.3	31.1	30.6	33.2	32.1
4 Community Advancement	0.0	0.0	0.1	0.0	0.0
5 Total	<u>\$ 130.3</u>	<u>\$ 140.4</u>	<u>\$ 164.7</u>	<u>\$ 148.9</u>	<u>\$ 150.1</u>

University of Houston-Clear Lake FY23 Planned Capital Projects Budget Summary

	-----Project Expenditures-----			Total Project	-----Funded From-----					Total Project	
	Project	FY2023	Future Year		Revenue						Total Project
	to Date (1)	Budget	Budgets		Budget	HEAF/Other State Funded	CCAP	Other Debt Funded	Gifts		Other
New Construction											
Dining Facilities	\$ 1,094,151	\$ -	\$ -	\$ 1,094,151	\$ -	\$ -	\$ -	\$ -	\$ 1,094,151	\$ 1,094,151	
New Greenhouse	-	150,000	-	150,000	-	-	-	-	150,000	150,000	
Subtotal New Construction	\$ 1,094,151	\$ 150,000	\$ -	\$ 1,244,151	\$ -	\$ -	\$ -	\$ -	\$ 1,244,151	\$ 1,244,151	
Major Repair and Rehabilitation											
Capital Renewal Deferred Maintenance	\$ 1,752,000	\$ 7,959,588	\$ 7,848,500	\$ 17,560,088	\$ 4,747,676	\$ 12,680,000	\$ -	\$ -	\$ 132,412	\$ 17,560,088	
Parking Lot/Roadway Maintenance	90,000	144,619	400,000	634,619	\$ 190,647	\$ -	-	-	\$ 443,972	634,619	
Other Infrastructure Upgrades	294,000	4,087,500	4,087,500	8,469,000	\$ 627,500	\$ -	-	-	\$ 7,841,500	8,469,000	
Exterior upgrades	918,000	50,000	-	968,000	\$ -	\$ -	-	-	\$ 968,000	968,000	
Bayou Renovations	-	14,065,000	14,065,000	28,130,000	\$ -	\$ 28,130,000	-	-	\$ -	28,130,000	
Delta Renovations	-	1,500,000	1,500,000	3,000,000	\$ -	\$ 3,000,000	-	-	\$ -	3,000,000	
SSCB Renovations	-	2,190,000	-	2,190,000	\$ 707,059	\$ 700,000	-	-	\$ 782,941	2,190,000	
Subtotal Major Repairs & Rehabilitation	\$ 3,054,000	\$ 29,996,707	\$ 27,901,000	\$ 60,951,707	\$ 6,272,882	\$ 44,510,000	\$ -	\$ -	\$ 10,168,825	\$ 60,951,707	
Total	\$ 4,148,151	\$ 30,146,707	\$ 27,901,000	\$ 62,195,858	\$ 6,272,882	\$ 44,510,000	\$ -	\$ -	\$ 11,412,976	\$ 62,195,858	

(1) Project expenditures to date, estimated through August 31, 2022

University of Houston-Downtown

FY2023 Proposed Annual Budget

University of Houston-Downtown Highlighted Use of Funds in the FY2023 Plan

- Operating Funds
 - 3.7% pool to invest in faculty and staff
 - Student recruitment, retention and success
 - Security and information technology
 - Fixed institutional costs
- HEAF Funds
 - Academic and research infrastructure
 - Deferred Maintenance & Life Safety

University of Houston-Downtown

Proposed Operating Budget by Revenue Segment

FY2019 - FY2023
(\$ in Millions)

	A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	E 2023 Proposed
1 State Appropriations	\$ 31.5	\$ 32.5	\$ 31.4	\$ 33.6	\$ 33.5
2 HEAF/National Research University Fund	11.7	11.8	10.8	10.8	10.8
3 Tuition & Fees	96.7	106.9	115.0	109.1	102.4
4 Other Operating	7.8	6.6	4.0	15.3	21.0
5 Contracts & Grants*	45.4	55.5	76.6	45.9	48.1
6 Endowment Income / Gifts	3.5	3.7	2.7	3.2	3.0
7 Total	<u>\$ 196.6</u>	<u>\$ 217.0</u>	<u>\$ 240.5</u>	<u>\$ 217.9</u>	<u>\$ 218.8</u>

* Includes Federal financial aid

University of Houston-Downtown

Proposed Operating Budget (Expenditures) by Goal

FY2019 - FY2023
(\$ in Millions)

	A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	E 2023 Proposed
1 Student Success	\$ 151.4	\$ 159.0	\$ 184.1	\$ 172.1	\$ 169.5
2 National Competitiveness	2.4	2.6	2.2	1.9	2.0
3 Infrastructure & Administration	33.9	36.0	34.2	41.2	44.7
4 Community Advancement	3.7	3.1	2.7	2.7	2.6
5 Total	<u>\$ 191.4</u>	<u>\$ 200.7</u>	<u>\$ 223.2</u>	<u>\$ 217.9</u>	<u>\$ 218.8</u>

University of Houston-Downtown FY23 Planned Capital Projects Budget Summary

	-----Project Expenditures-----			Total Project	-----Funded From-----					Total Project	
	Project	FY2023	Future Year		Revenue						Total Project
	to Date (1)	Budget	Budgets		Budget	HEAF/Other State Funded	CCAP	Other Debt Funded	Gifts		Other
New Construction											
Wellness and Success Center	\$ 29,160,520	\$ 11,242,349	\$ -	\$ 40,402,869	\$ -	\$ -	\$ 35,000,000	\$ -	\$ 5,402,869	\$ 40,402,869	
Subtotal New Construction	\$ 29,160,520	\$ 11,242,349	\$ -	\$ 40,402,869	\$ -	\$ -	\$ 35,000,000	\$ -	\$ 5,402,869	\$ 40,402,869	
Major Repair and Rehabilitation											
Wellness and Success Center Capital Renewal	\$ -	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	
Girard Street Garage Capital Renewal	-	51,000	-	51,000	-	-	-	-	51,000	51,000	
Refresh of the CHSS Advising Center	-	75,000	-	75,000	75,000	-	-	-	-	75,000	
Projects Budgeted Annually											
Capital Renewal/Capital Improvement	-	1,800,000	-	1,800,000	1,800,000	-	-	-	-	1,800,000	
Subtotal Major Repairs & Rehabilitation	\$ -	\$ 2,126,000	\$ -	\$ 2,126,000	\$ 1,875,000	\$ -	\$ -	\$ -	\$ 251,000	\$ 2,126,000	
Total	\$ 29,160,520	\$ 13,368,349	\$ -	\$ 42,528,869	\$ 1,875,000	\$ -	\$ 35,000,000	\$ -	\$ 5,653,869	\$ 42,528,869	

(1) Project expenditures to date, estimated through August 31, 2022

University of Houston-Victoria

FY2023 Proposed Annual Budget

University of Houston-Victoria

Highlighted Use of Funds in the FY2023 Plan

- Operating Funds
 - Targeted investment in faculty and staff
 - Student recruitment, retention and success
 - Security and information technology
 - Fixed institutional costs
- HEAF Funds
 - Academic and research infrastructure
 - Deferred Maintenance & Life Safety

University of Houston-Victoria

Proposed Operating Budget by Revenue Segment

FY2019- FY2023
(\$ in Millions)

	A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	F 2023 Proposed
1 State Appropriations	\$ 18.0	\$ 18.5	\$ 17.6	\$ 19.4	\$ 19.2
2 HEAF/National Research University Fund	4.3	4.3	3.5	3.5	3.5
3 Tuition & Fees	29.6	32.7	34.9	35.3	27.8
4 Other Operating	6.5	4.2	3.2	9.5	16.6
5 Contracts & Grants*	12.1	17.0	18.4	12.4	11.4
6 Endowment Income / Gifts	2.0	0.9	0.9	0.4	0.5
7 Total	\$ 72.5	\$ 77.6	\$ 78.5	\$ 80.5	\$ 79.0

* Includes Federal financial aid

University of Houston-Victoria

Proposed Operating Budget (Expenditures) by Goal

FY2019 - FY2023
(\$ in Millions)

	A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	E 2023 Proposed
1 Student Success	\$ 59.5	\$ 61.7	\$ 66.6	\$ 67.7	\$ 66.2
2 National Competitiveness	0.3	0.4	0.4	0.3	0.6
3 Infrastructure & Administration	8.7	10.1	9.5	12.0	11.7
4 Community Advancement	0.9	0.7	0.8	0.5	0.5
5 Total	\$ 69.4	\$ 72.9	\$ 77.3	\$ 80.5	\$ 79.0

University of Houston-Victoria

FY23 Planned Capital Projects Budget Summary

	-----Project Expenditures-----			Total Project	-----Funded From-----					Total Project	
	Project	FY2023	Future Year		Revenue						Total Project
	to Date (1)	Budget	Budgets		Budget	HEAF/Other State Funding	CCAP	Other Debt Funded	Gifts		Other
New Construction											
Health and Wellness Center	\$ 583,007	\$ 12,264,996	\$ 12,264,997	\$ 25,113,000		\$ 7,200,000		\$ 2,000,000	\$ 15,913,000	\$ 25,113,000	
Facilities Storage	-	180,000	1,020,000	1,200,000	-	1,200,000				1,200,000	
Pedestrian Walkways on Ben Wilson Street	8,151,464	1,079,279	-	9,230,743	-	9,230,743		-	-	9,230,743	
Subtotal New Construction	\$ 8,734,471	\$ 13,524,275	\$ 13,284,997	\$ 35,543,743	\$ -	\$ 17,630,743	\$ -	\$ 2,000,000	\$ 15,913,000	\$ 35,543,743	
Major Repair and Rehabilitation											
University Center Roof	\$ -	\$ 52,000	\$ 1,948,000	\$ 2,000,000			\$ 2,000,000	\$ -		\$ 2,000,000	
Northwest Phase 2 and University North Buildout	-	3,615,000	20,485,000	24,100,000	-	-	24,100,000	-	-	24,100,000	
Projects Budgeted Annually											
Campus Expansion	-	700,000	1,236,012	1,936,012		1,936,012				1,936,012	
Subtotal Major Repairs & Rehabilitation	\$ -	\$ 4,367,000	\$ 23,669,012	\$ 28,036,012	\$ -	\$ 1,936,012	\$ 26,100,000	\$ -	\$ -	\$ 28,036,012	
Total	\$ 8,734,471	\$ 17,891,275	\$ 36,954,009	\$ 63,579,755	\$ -	\$ 19,566,755	\$ 26,100,000	\$ 2,000,000	\$ 15,913,000	\$ 63,579,755	

(1) Project expenditures to date, estimated through August 31, 2022

University of Houston System Administration

FY2023 Proposed Annual Budget

University of Houston-System Administration

Proposed Operating Budget by Revenue Segment

FY2019 - FY2023
(\$ in Millions)

	A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	E 2023 Proposed
1 State Appropriations	\$ 47.8	\$ 42.0	\$ 42.0	\$ 42.4	\$ 35.8
2 Other Operating	7.8	9.2	8.8	10.9	10.8
3 Contracts & Grants	1.3	0.6	-	-	-
4 Endowment Income / Gifts	4.6	4.6	4.7	2.2	2.3
5 Total	<u>\$ 61.5</u>	<u>\$ 56.5</u>	<u>\$ 55.5</u>	<u>\$ 55.5</u>	<u>\$ 48.9</u>

* Includes CCAP debt service

University of Houston-System Administration Proposed Operating Budget (Expenditures) by Goal

FY2019 - FY2023 (\$ in Millions)

	A 2019 Actual	B 2020 Actual	C 2021 Actual	D 2022 Budgeted	E 2023 Proposed
1 Student Success	\$ 1.5	\$ 1.3	\$ 1.3	\$ 1.5	\$ 1.5
2 National Competitiveness	1.0	0.5	0.5	-	-
3 Infrastructure & Administration	54.5	52.0	51.0	54.0	47.4
4 Community Advancement	-	-	-	-	-
5 Total	\$ 57.0	\$ 53.8	\$ 52.8	\$ 55.5	\$ 48.9

* Includes CCAP debt service

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts exceeding \$1 million for the purchase of goods or services, excluding construction contracts, at the University of Houston System.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested for contracts that are expected to exceed \$1 million that are associated with the purchase of goods or services, excluding construction contracts, at the University of Houston System. Board of Regents policy 55.01.01 states that the board must approve any contract, including any amendment, extension, or renewal thereto, that results in the value of the contract exceeding \$1 million throughout the term of the contract.

SUPPORTING DOCUMENTATION: Summary of Contracts

FISCAL NOTE: See supporting documentation for value of each contract.

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator



DATE

University of Houston System
Summary of Goods and Services Contracts Greater than \$1 Million
F&A Committee -August 2022

Component	Project	Procurement Method	Vendor	Purpose	Term	\$ Amount	Funding Source	HUB Goal	Comments
Goods and Services Contracts Greater than \$1 Million									
UH	Public Broadcasting Service (PBS) Programming Fees	Sole Source	Public Broadcasting System	Programming fees for Houston Public Media to broadcast PBS programs on the KUHT television stations for FY23. There is no contract for these fees.	Initial Term: 1 year	Initial Term: \$2,147,879	Gift Funds Grant Funds	N/A	Programming fees are not subject to HUB reporting. A contract is not required for the annual dues.
UH	National Public Radio (NPR) Programming Fees	Sole Source	National Public Radio	Programming fees for Houston Public Media to broadcast NPR programs on the KUHF radio stations for FY23. There is no contract for these fees.	Initial Term: 1 year	Initial Term: \$1,647,994	Gift Funds Grant Funds	N/A	Programming fees are not subject to HUB reporting. A contract is not required for the annual dues.
UH	University Vehicle Fueling	Request for Proposal	TBD	University of Houston campus-wide bulk fuel (unleaded gasoline, red diesel) supply for university vehicles and generators.	Initial Term: 3 years Optional Terms: Two 1-year options	Initial Term: \$1,550,000 Optional Term: \$1,035,000	State Funds	26%	
UH	Campus Cabling, AV, and Security Systems Infrastructure	Request for Proposal	TBD	Ongoing network maintenance for projects that require structured cabling, audio/video services for academic/administrative spaces, and security system equipment and integration.	Initial Term: 3 years Optional Terms: Two 1-year options	Initial Term: \$4,450,000 Optional Term: \$2,800,000	Designated Funds	21%	
UHS	E-Procurement	Request for Proposal	TBD	E-procurement and solicitation system that will integrate with the existing Finance System to simplify and speed procurement for the acquisition of goods or services.	Initial Term: 3 years Optional Terms: Two 1-year options	Initial Term: \$1,270,000 Optional Term: \$580,000	Designated Funds	21%	
UH	Athletics Team Travel	E&I Purchasing Cooperative Contract	Anthony Travel	Extend existing vendor contract for Athletics team travel, including air and ground transportation.	Initial Term: 5 years Optional Term 1: 4 years Optional Term 2: 1-year option	Initial Term: \$3,167,000 Initial Term: \$3,426,000 Optional Term: \$874,000	Auxiliary Funds	N/A	Travel services are not subject to HUB reporting
UH	Football Participation Guarantee	Revenue	ESPN Productions, Inc	To provide a contract for participation revenue for the UH Men's Football Team to participate in a game over the Labor Day Weekend 2027.	Initial Term: 3 days	Initial Term: \$2,500,000 minimum	Auxiliary Funds	N/A	Revenue agreements are not subject to HUB reporting
Real Property and Lease Contracts BOR 55.01.01									
UH	CenterPoint Utility Easement Clarification and Amendment	None	CenterPoint	To clarify and amend a 50' wide easement for existing electrical transmission and distribution lines to CenterPoint Energy.	Initial Term: Perpetual	Initial Term: \$10	Designated Funds	N/A	

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding \$1 million for projects at the University of Houston System.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested for contracts that are expected to exceed \$1 million that are associated with construction projects at the University of Houston System as listed in the supporting documentation. Board of Regents policy 55.01.01 states that the board must approve any contract, including any amendment, extension, or renewal thereto, that results in the value of the contract exceeding \$1 million throughout the term of the contract.

SUPPORTING

DOCUMENTATION: Summary of Construction Contracts

FISCAL NOTE: See supporting documentation for value of each contract.

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator



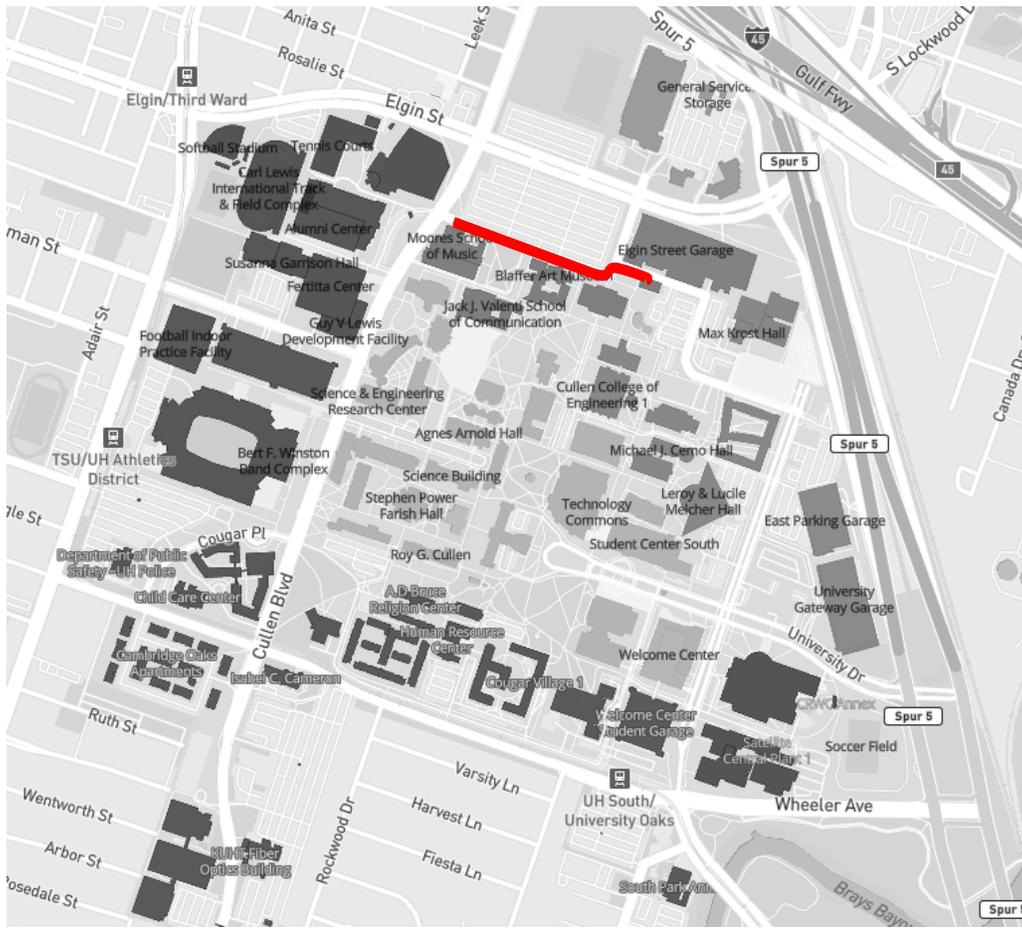
DATE

UNIVERSITY OF HOUSTON SYSTEM CAMPUS LOOP ROAD PROJECT SUPPORTING DOCUMENTATION

PROJECT GOALS

- Enhance pedestrian safety
- Improve intersection at Entrance 18
- Improve storm water management
- Update to UH streetscape standards

LOCATION ON CAMPUS MAP



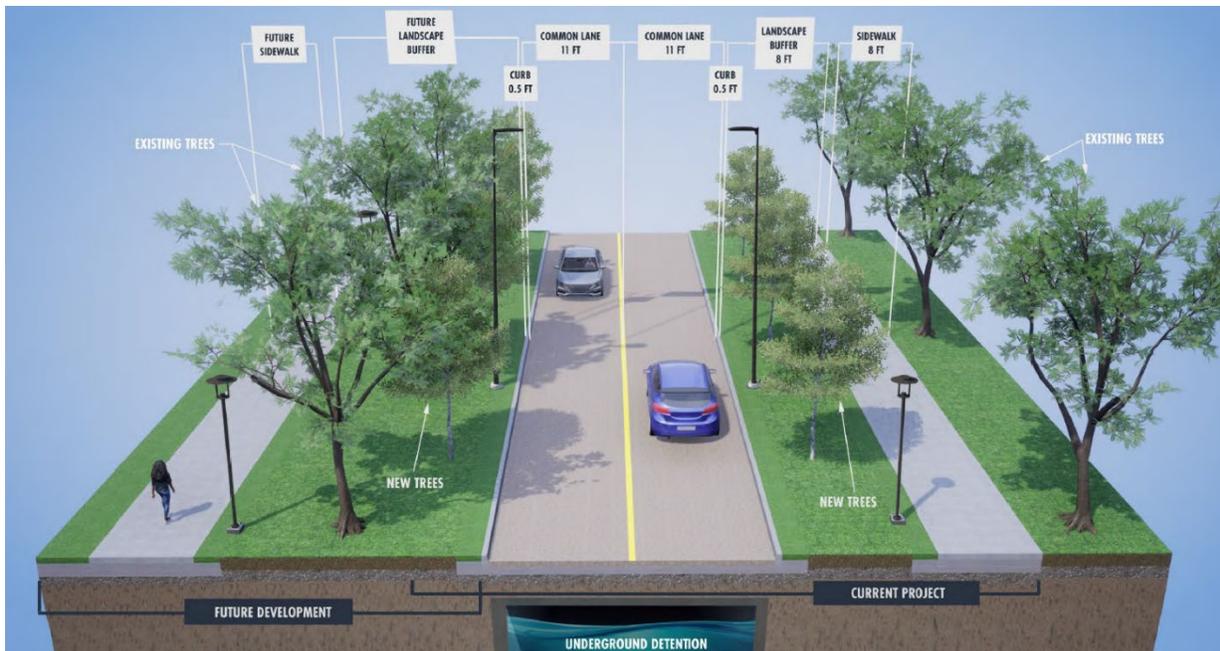
**UNIVERSITY OF HOUSTON SYSTEM
CAMPUS LOOP ROAD PROJECT
SUPPORTING DOCUMENTATION**

LOCATION

Satellite Location View



DESIGN CONCEPT



University of Houston System
 Summary of Construction Contracts Greater than \$1 Million
 F&A Committee - August 25, 2022

Component	Project	Procurement Method	Vendor	Purpose	Amount	Funding Source	HUB Goal	Comments
UH	Campus Loop Rd.	CSP	TBD	Construction contract. Construction contract for the construction and modification to the Loop Rd. located between the Elgin St. Parking Garage and Entrance 16 located at the University of Houston.	\$ 4,500,000	HEAF	21.10%	This will reconfigure the loop road for increased pedestrian safety, better traffic flow and will address deferred maintenance needs.

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested for changes to optional waivers and exemptions offered at the University of Houston System.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

BOR policy 56.03.03 permits the Chancellor to waive fees as permitted by law, but it does not permit the waiver of tuition. Texas Education Code 54.216 permits the governing board to waive tuition and fees for students enrolled in concurrent high school and college level courses, for which they will receive credit towards their high school academic requirements and towards a degree offered by the University. The University of Houston System offers students this waiver.

SUPPORTING DOCUMENTATION: Presentation

FISCAL NOTE: \$59.4K Net Revenue

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett

8/8/2022

DATE



CHANCELLOR Renu Khator

8/18/2022

DATE

Optional Waiver & Exemption Recommendations

UH System Board of Regents
Administration and Finance Committee
August 25, 2022

University of Houston Victoria Optional Waiver and Exemption Proposed Changes

- Texas Education Code 54.216: Students Enrolled in Course for concurrent High School and College-Level Credit; Optional Waiver
 - Student must be enrolled in a course for which the student will simultaneously receive both:
 - Course credit towards their high school academic requirement
 - Course credit towards a degree offered by the institution
 - University may waive all or part of the tuition and fees charged

University of Houston Victoria Optional Waiver and Exemption Proposed Changes

- This is an optional program and will apply to dual credit undergraduate students beginning Fall 2022
- UHV will waive a portion of its Designated Tuition and all Mandatory Fees that are charged to its students.
 - UHV plans to partner with one local ISD for the Fall of 2022, and may expand.
 - Eligible students are those from partner high schools or accredited home schools.
- Dual credit allows high school students to receive credit from both the high school and university to provide a smooth transition between high school and higher education.
- This program will help build relationships with participating students.

End of Presentation

Optional Waivers and Exemptions

University of Houston-Victoria Optional Waivers and Exemptions

		Net Revenue Change
SUMMARY	NET CHANGE IN REVENUES	\$ 59,400
	TOTAL UH-VICTORIA	<u>\$ 59,400</u>

Optional Waivers and Exemptions

University of Houston Victoria Optional Waivers and Exemptions

TEC 54.513 - Dual Enrollment	Est Wvr/Student	Program Revenue	Waiver	Net Revenue Change	Purpose
Statutory Tuition, Mandatory Fees, and Designated Tuition (partial)	\$1,921/year	\$272,640/year	\$213,240/year	\$ 59,400	The University of Houston Victoria will offer a dual enrollment waiver for High School students enrolled in both High School and University courses, which will benefit the students by providing a transition pathway to higher education.
Subtotal Net Revenue, Optional Waivers and Exemptions				<u>\$ 59,400</u>	
Total Net Revenue, Waivers and Exemptions - University of Houston-Victoria				<u>\$ 59,400</u>	

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval is requested to ratify delegation to the Chancellor to negotiate and execute contracts for design and construction of the Tilman J. Fertitta Family College of Medicine Building located at the University of Houston.

DATE PREVIOUSLY SUBMITTED: November 2018

SUMMARY:

Ratification is requested for an increase in the project budget due to scope expansion. Specifically, parking and utility infrastructure was added to support the future expansion of the Health District.

SUPPORTING DOCUMENTATION: Budget, Project Schedule & Contract Approvals

FISCAL NOTE: \$89.0 HEAF, \$4.2M Bond Proceeds, \$650K State Appropriation

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item

COMPONENT: University of Houston



PRESIDENT

Renu Khator



DATE



SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator



DATE

**UNIVERSITY OF HOUSTON SYSTEM
TILMAN J. FERTITTA FAMILY COLLEGE OF MEDICINE
SUPPORTING DOCUMENTATION**

REVISED PROJECT BUDGET

Construction Cost (w/ additional scope)	\$77,735,000
• Construction cost	\$68,585,000
• Additional Scope:	
- Parking	\$2,500,000
- Central Utility Plant	\$5,500,000
- Shell buildout	\$ 650,000
- Utility infrastructure	\$ 500,000
 A/E Fees	 \$7,500,000
Professional Service & Testing Fees/Admin	\$1,500,000
Furniture and Moveable Equipment	\$1,400,000
Miscellaneous	\$1,450,000
TOTAL PROJECT COST	\$89,585,000

ORIGINAL APPROVED PROJECT BUDGET

Construction Cost (w/ contingencies)	\$68,000,000
A/E Fees	\$6,500,000
Professional Service & Testing Fees/Admin	\$1,500,000
Furniture and Moveable Equipment	\$3,000,000
Miscellaneous	\$1,000,000
TOTAL PROJECT COST	\$80,000,000

**UNIVERSITY OF HOUSTON SYSTEM
TILMAN J. FERTITTA FAMILY COLLEGE OF MEDICINE
SUPPORTING DOCUMENTATION**

ORIGINAL APPROVED PROJECT SCHEDULE

BOR Review and Approval	Fall 2018
Design Completion	Summer 2020
Construction Starts	Summer 2020
Completion	Summer 2022

University of Houston
 Summary of Construction Contracts Greater than \$1 Million - UH Tilman J. Fertitta Medical School
 F&A Committee - August 25, 2022

Component	Project	Procurement Method	Vendor	Purpose	Amount	Funding Source	HUB Goal	Comments
UH	UH Tilman J. Fertitta Medical School Building	Request for Qualifications	Page Architects	Architecture/Engineering Services contract. Design of the College of Tilman J. Fertitta Medicine Building on the University of Houston campus.	\$ 7,500,000	Capital Project Funds	23.70%	Original contract approval at 11/18/2018 BOR meeting for \$6.5M.
UH	UH Tilman J. Fertitta Medical School Building	Request for Proposal	Vaughn Construction	Construction contract. Construction of the Tilman J. Fertitta College of Medicine Building on the University of Houston campus.	\$ 77,735,000	Capital Project Funds	21.10%	Original contract approval at 11/18/2018 BOR meeting for \$68M.